

HOUSE BILL 1302

Q5

2lr0150
CF SB 971

By: **The Speaker (By Request – Administration)**

Introduced and read first time: February 15, 2012

Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Transportation Financing and Infrastructure Investment Act of**
3 **2012**

4 FOR the purpose of altering the distribution of the motor fuel tax revenue; requiring
5 the Comptroller to make certain determinations and announcements regarding
6 certain average retail prices of motor fuel and certain sales and use tax
7 equivalent rates for certain periods; providing that under certain circumstances,
8 certain sales and use tax equivalent rates, effective for certain periods, are
9 added to certain motor fuel tax rates and shall be collected in the same manner
10 as the motor fuel tax; providing that certain State laws and regulations that
11 apply to the motor fuel tax also apply to certain sales and use tax equivalent
12 rates; providing that certain motor fuel tax is subject to a sales and use tax
13 equivalent rate added to the motor fuel tax rate under certain circumstances;
14 providing that certain motor fuel tax revenue attributable to the sales and use
15 tax equivalent rate and vehicle registration fees constitute revenues pledged for
16 paying the principal and interest on certain bonds; altering certain provisions
17 prohibiting reversion or crediting of funds in the Transportation Trust Fund to
18 the General Fund or a special fund except under certain circumstances;
19 authorizing the use of funds in the Transportation Trust Fund for defense or
20 relief purposes under certain circumstances; altering certain provisions
21 prohibiting the transfer or diversion of funds from the Transportation Trust
22 Fund except under certain circumstances; establishing a Local Transportation
23 Infrastructure Aid Account within the Transportation Trust Fund; providing for
24 the distribution of certain funds credited to the Local Transportation
25 Infrastructure Aid Account for certain purposes to certain local jurisdictions;
26 providing that certain State laws that apply to certain revenues also apply to
27 certain funds credited to the Local Transportation Infrastructure Aid Account;
28 altering the amount of a certain surcharge required to be paid in addition to the
29 registration fee required for certain motor vehicles; providing for the formation
30 of a workgroup to study regional transit financing under certain conditions and
31 submit a certain report to the Governor and General Assembly by a certain

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 date; repealing certain obsolete provisions; defining certain terms; and
2 generally relating to Maryland transportation financing and transportation
3 infrastructure investment.

4 BY repealing and reenacting, with amendments,
5 Article – Tax – General
6 Section 2–1103 and 11–221
7 Annotated Code of Maryland
8 (2010 Replacement Volume and 2011 Supplement)

9 BY adding to
10 Article – Tax – General
11 Section 9–306 and 9–307
12 Annotated Code of Maryland
13 (2010 Replacement Volume and 2011 Supplement)

14 BY repealing and reenacting, without amendments,
15 Article – Transportation
16 Section 3–215(a)(1) and 8–402(a)
17 Annotated Code of Maryland
18 (2008 Replacement Volume and 2011 Supplement)

19 BY repealing and reenacting, with amendments,
20 Article – Transportation
21 Section 3–215(b), 3–216, and 3–217; and 8–401, 8–402(b), and 8–403(b) to be
22 under the amended subtitle “Subtitle 4. Highway User Revenues and
23 Local Transportation Infrastructure Aid”
24 Annotated Code of Maryland
25 (2008 Replacement Volume and 2011 Supplement)

26 BY adding to
27 Article – Transportation
28 Section 8–402.1
29 Annotated Code of Maryland
30 (2008 Replacement Volume and 2011 Supplement)

31 BY repealing and reenacting, with amendments,
32 Article – Transportation
33 Section 13–954
34 Annotated Code of Maryland
35 (2009 Replacement Volume and 2011 Supplement)

36 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
37 MARYLAND, That the Laws of Maryland read as follows:

38 **Article – Tax – General**

1 2-1103.

2 After making the distributions required under §§ 2-1101 and 2-1102 of this
3 subtitle, the Comptroller shall distribute:

4 (1) the remaining motor fuel tax revenue from aviation fuel to the
5 Transportation Trust Fund; [and]

6 (2) all remaining motor fuel tax revenue, equal to the average
7 percentage by which the motor fuel tax rate exceeds 18.5 cents per gallon, **NOT**
8 **INCLUDING THE SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER §**
9 **9-306 OF THIS ARTICLE**, to the Gasoline and Motor Vehicle Revenue Account in the
10 Transportation Trust Fund; **AND**

11 **(3) OF THE MOTOR FUEL TAX REVENUE ATTRIBUTABLE TO THE**
12 **SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER § 9-306 OF THIS**
13 **ARTICLE:**

14 **(I) IN ANY FISCAL YEAR IN WHICH THE PERCENTAGE RATE**
15 **DETERMINED UNDER § 9-307 OF THIS ARTICLE IS 2%:**

16 1. **90% TO THE TRANSPORTATION TRUST FUND;**
17 **AND**

18 2. **10% TO THE LOCAL TRANSPORTATION**
19 **INFRASTRUCTURE AID ACCOUNT IN THE TRANSPORTATION TRUST FUND;**

20 **(II) IN ANY FISCAL YEAR IN WHICH THE PERCENTAGE RATE**
21 **DETERMINED UNDER § 9-307 OF THIS ARTICLE IS 4%:**

22 1. **85% TO THE TRANSPORTATION TRUST FUND;**
23 **AND**

24 2. **15% TO THE LOCAL TRANSPORTATION**
25 **INFRASTRUCTURE AID ACCOUNT IN THE TRANSPORTATION TRUST FUND; AND**

26 **(III) IN ANY FISCAL YEAR IN WHICH THE PERCENTAGE RATE**
27 **DETERMINED UNDER § 9-307 OF THIS ARTICLE IS 6%:**

28 1. **80% TO THE TRANSPORTATION TRUST FUND;**
29 **AND**

30 2. **20% TO THE LOCAL TRANSPORTATION**
31 **INFRASTRUCTURE AID ACCOUNT IN THE TRANSPORTATION TRUST FUND.**

1 **9-306.**

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
3 MEANINGS INDICATED.

4 (2) "AVERAGE SEMIANNUAL RETAIL PRICE" MEANS THE 6-
5 MONTH AVERAGE RETAIL PRICE PER GALLON OF MOTOR FUEL PURCHASED IN
6 THE STATE DETERMINED IN ACCORDANCE WITH SUBSECTION (E) OF THIS
7 SECTION.

8 (3) "SALES AND USE TAX EQUIVALENT RATE" MEANS THE PER
9 GALLON TAX RATE CALCULATED BASED ON A PERCENTAGE OF THE AVERAGE
10 SEMIANNUAL RETAIL PRICE OF MOTOR FUEL IN ACCORDANCE WITH
11 SUBSECTION (F) OF THIS SECTION.

12 (B) ON OR BEFORE JUNE 15 AND DECEMBER 15 OF EACH YEAR, THE
13 COMPTROLLER SHALL DETERMINE AND ANNOUNCE:

14 (1) THE AVERAGE SEMIANNUAL RETAIL PRICE OF MOTOR FUEL;
15 AND

16 (2) THE SALES AND USE TAX EQUIVALENT RATE EFFECTIVE ON
17 THE FOLLOWING JULY 1 OR JANUARY 1.

18 (C) THE SALES AND USE TAX EQUIVALENT RATE SHALL BE EFFECTIVE
19 FOR THE 6-MONTH PERIOD BEGINNING:

20 (1) JULY 1 FOR A JUNE 15 DETERMINATION; OR

21 (2) JANUARY 1 FOR A DECEMBER 15 DETERMINATION.

22 (D) (1) THE SALES AND USE TAX EQUIVALENT RATE SHALL BE ADDED
23 TO THE MOTOR FUEL TAX RATES SPECIFIED IN § 9-305(2), (3), AND (5) OF THIS
24 SUBTITLE AND COLLECTED IN THE SAME MANNER AS THE MOTOR FUEL TAX.

25 (2) EXCEPT AS OTHERWISE EXPRESSLY PROVIDED BY LAW, ALL
26 REFERENCES TO THE MOTOR FUEL TAX IN STATE LAW AND REGULATIONS
27 APPLY TO THE SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER THIS
28 SECTION.

29 (E) THE COMPTROLLER SHALL DETERMINE THE AVERAGE
30 SEMIANNUAL RETAIL PRICE OF MOTOR FUEL:

1 (1) USING DATA COMPILED BY THE OIL PRICE INFORMATION
2 SERVICE (OPIS) OR ANOTHER GENERALLY RECOGNIZED AND RELIABLE
3 SOURCE OF INFORMATION;

4 (2) BASED ON PRICES FOR REGULAR, UNLEADED MOTOR FUEL,
5 EXCLUDING FEDERAL AND STATE TAXES, REPORTED DURING THE PRECEDING:

6 (I) DECEMBER THROUGH MAY FOR A JUNE 15
7 DETERMINATION; OR

8 (II) JUNE THROUGH NOVEMBER FOR A DECEMBER 15
9 DETERMINATION.

10 (F) THE COMPTROLLER SHALL DETERMINE THE SALES AND USE TAX
11 EQUIVALENT RATE BY:

12 (1) MULTIPLYING THE AVERAGE SEMIANNUAL RETAIL PRICE BY
13 THE PERCENTAGE RATE SPECIFIED IN § 9-307 OF THIS SUBTITLE; AND

14 (2) ROUNDING THE PRODUCT TO THE NEAREST TENTH OF A CENT.

15 **9-307.**

16 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE
17 MEANINGS INDICATED.

18 (2) "AVERAGE ANNUAL RETAIL PRICE" MEANS THE 12-MONTH
19 AVERAGE RETAIL PRICE PER GALLON OF MOTOR FUEL PURCHASED IN THE
20 STATE DETERMINED IN ACCORDANCE WITH SUBSECTION (D)(2) OF THIS
21 SECTION.

22 (3) "PERCENTAGE RATE" MEANS THE PERCENTAGE USED TO
23 CALCULATE THE SALES AND USE TAX EQUIVALENT RATE UNDER § 9-306 OF
24 THIS SUBTITLE.

25 (B) SUBJECT TO SUBSECTION (C) OF THIS SECTION, THE PERCENTAGE
26 RATE SHALL BE:

27 (1) 2% IN FISCAL YEAR 2013; AND

28 (2) DETERMINED IN ACCORDANCE WITH SUBSECTION (D) OF THIS
29 SECTION IN EACH SUBSEQUENT FISCAL YEAR.

1 **(C) (1) THE PERCENTAGE RATE MAY NOT EXCEED 6% IN ANY FISCAL**
2 **YEAR.**

3 **(2) IN ANY FISCAL YEAR IN WHICH THE PERCENTAGE RATE IN**
4 **THE PRECEDING FISCAL YEAR WAS 6%:**

5 **(I) SUBSECTION (D) OF THIS SECTION DOES NOT APPLY;**
6 **AND**

7 **(II) THE PERCENTAGE RATE SHALL BE 6%.**

8 **(D) (1) ON OR BEFORE JUNE 15 OF EACH YEAR, THE COMPTROLLER**
9 **SHALL DETERMINE AND ANNOUNCE:**

10 **(I) THE PERCENTAGE CHANGE IN THE AVERAGE ANNUAL**
11 **RETAIL PRICE OF MOTOR FUEL IN ACCORDANCE WITH PARAGRAPH (2) OF THIS**
12 **SUBSECTION; AND**

13 **(II) THE PERCENTAGE RATE FOR THE NEXT FISCAL YEAR IN**
14 **ACCORDANCE WITH PARAGRAPH (3) OF THIS SUBSECTION.**

15 **(2) THE COMPTROLLER SHALL DETERMINE THE AVERAGE**
16 **ANNUAL RETAIL PRICE AND THE PERCENTAGE CHANGE IN THE AVERAGE**
17 **ANNUAL RETAIL PRICE OF MOTOR FUEL:**

18 **(I) USING DATA COMPILED BY THE OIL PRICE**
19 **INFORMATION SERVICE (OPIS) OR ANOTHER GENERALLY RECOGNIZED AND**
20 **RELIABLE SOURCE OF INFORMATION;**

21 **(II) BASED ON PRICES FOR REGULAR, UNLEADED MOTOR**
22 **FUEL, INCLUDING FEDERAL AND STATE TAXES REPORTED DURING THE**
23 **12-MONTH PERIOD ENDING ON MAY 31; AND**

24 **(III) BY COMPARING THE AVERAGE ANNUAL RETAIL PRICE**
25 **DURING THE 12-MONTH PERIOD ENDING ON THE PRECEDING MAY 31 TO THE**
26 **AVERAGE ANNUAL RETAIL PRICE DURING THE 12-MONTH PERIOD ENDING ON**
27 **MAY 31 OF THE PRECEDING YEAR.**

28 **(3) IF THE PERCENTAGE CHANGE IN THE AVERAGE ANNUAL**
29 **RETAIL PRICE OF MOTOR FUEL IS:**

1 **(I) LESS THAN OR EQUAL TO 15%, THE PERCENTAGE RATE**
2 **FOR THE NEXT FISCAL YEAR SHALL EQUAL THE SUM OF THE PERCENTAGE RATE**
3 **IN EFFECT DURING THE PRECEDING FISCAL YEAR AND 2%; OR**

4 **(II) GREATER THAN 15%, THE PERCENTAGE RATE FOR THE**
5 **NEXT FISCAL YEAR SHALL REMAIN UNCHANGED FROM THE PRECEDING FISCAL**
6 **YEAR.**

7 11–221.

8 (a) The sales and use tax does not apply to:

9 (1) a sale of an admission by a person whose gross receipts from the
10 sale are subject to the admissions and amusement tax;

11 (2) a sale of a communication service, other than a taxable service,
12 rendered by a person whose charge for a communication service is or would be subject
13 to the federal excise tax as described in § 4251 of the Internal Revenue Code in effect
14 on July 1, 1979;

15 (3) a sale of a motor fuel that is subject to the motor fuel tax or the
16 motor carrier tax;

17 (4) except for a rental, a sale of a motor vehicle, other than a house or
18 office trailer, that is subject to the motor vehicle excise tax under § 13–809 or § 13–811
19 of the Transportation Article;

20 (5) a lease of a motor vehicle that is leased for a period of at least 1
21 year;

22 (6) a rental of a motion picture, motion picture trailer, or advertising
23 poster for display on theater premises by a person whose gross receipts from the
24 activity related to the rental is subject to the admissions and amusement tax; or

25 (7) except for a rental, a sale of a vessel that is subject to the excise
26 tax under § 8–716 of the Natural Resources Article.

27 (b) If a person who buys tangible personal property or a taxable service in a
28 retail sale pays the sales and use tax when the retail sale is made, the person is not
29 required to pay the tax again when the person uses that tangible personal property or
30 taxable service in the State.

31 (c) (1) To the extent that a buyer pays another state a tax on a sale or
32 gross receipts from a sale of tangible personal property or a taxable service that the
33 buyer acquires before the property or service enters this State, the sales and use tax
34 does not apply to use of the property or service in this State.

1 (2) If the tax paid to another state is less than the sales and use tax,
 2 the buyer shall pay the difference between the sales and use tax and the amount paid
 3 to the other state in accordance with the formula under § 11-303(b) of this title.

4 **(D) MOTOR FUEL THAT IS SUBJECT TO THE MOTOR FUEL TAX OR THE**
 5 **MOTOR CARRIER TAX IS SUBJECT TO A SALES AND USE TAX EQUIVALENT RATE**
 6 **THAT IS ADDED TO THE MOTOR FUEL TAX RATE AS PROVIDED IN § 9-306 OF**
 7 **THIS ARTICLE.**

8 Article – Transportation

9 3-215.

10 (a) (1) For the purpose of paying the principal of and interest on
 11 consolidated transportation bonds as they become due and payable, there is hereby
 12 levied and imposed an annual tax that consists of the taxes specified in this section
 13 and, to the extent necessary and except as otherwise provided in this subsection, that
 14 shall be used and applied exclusively for that purpose.

15 (b) The tax levied and imposed by this section consists of that part of the
 16 following taxes that are retained to the credit of the Department after distributions to
 17 the political subdivisions:

18 (1) The motor fuel tax revenue distributed under §§ 2-1103(2) and
 19 2-1104(a)(2) of the Tax – General Article;

20 **(2) THE MOTOR FUEL TAX REVENUE ATTRIBUTABLE TO THE**
 21 **SALES AND USE TAX EQUIVALENT RATE IMPOSED UNDER § 9-306 OF THE**
 22 **TAX – GENERAL ARTICLE AND DISTRIBUTED UNDER § 2-1103(3) OF THE**
 23 **TAX – GENERAL ARTICLE;**

24 **[(2)] (3)** The income tax revenue distributed under § 2-614 of the
 25 Tax – General Article;

26 **[(3)] (4)** The excise tax imposed on vehicles by Part II of Title 13,
 27 Subtitle 8 of this article; **[and]**

28 **[(4)] (5)** The sales and use tax revenues distributed under § 2-1302.1
 29 of the Tax – General Article; **AND**

30 **(6) THE VEHICLE REGISTRATION FEES COLLECTED UNDER TITLE**
 31 **13, SUBTITLE 9, PART II OF THIS ARTICLE.**

32 3-216.

1 (a) There is a Transportation Trust Fund for the Department.

2 (b) Except as otherwise expressly provided by statute, there shall be credited
3 to the Transportation Trust Fund for the account of the Department all taxes, fees,
4 charges, and revenues collected or received by or paid, appropriated, or credited to the
5 account of the Department or any of its units in the exercise of their rights, powers,
6 duties, or obligations, including the cash proceeds of the sale of consolidated
7 transportation bonds, notes, or other evidences of obligation issued by the
8 Department, any General Fund appropriations, and the proceeds of any State loan or
9 federal grant made for transportation purposes.

10 (c) (1) There shall be maintained in the Transportation Trust Fund one or
11 more sinking fund accounts to which shall be credited and from which shall be paid,
12 from the proceeds of the taxes levied and imposed for that purpose or from any other
13 funds of the Department, amounts sufficient at all times to meet the debt service on
14 all bonds of prior issues and consolidated transportation bonds from time to time
15 outstanding and unpaid.

16 (2) (i) The Gasoline and Motor Vehicle Revenue Account, the
17 Driver Education Account, **LOCAL TRANSPORTATION INFRASTRUCTURE AID**
18 **ACCOUNT**, and the Motorcycle Safety Program Account shall be maintained in the
19 Transportation Trust Fund.

20 (ii) In each fiscal year, the Department shall budget from
21 federal funds available to the Department, other funds in the Transportation Trust
22 Fund, and any other funds available to the Department, an amount sufficient to fund
23 projects and programs determined by the Secretary to be necessary to achieve the
24 bicycle and pedestrian transportation goals identified for the fiscal year under Title 2,
25 Subtitle 6 of this article.

26 (d) (1) After meeting its debt service requirements, the Department may
27 use the funds in the Transportation Trust Fund for any lawful purpose related to the
28 exercise of its rights, powers, duties, and obligations.

29 (2) Expenditures under this subsection shall be made in accordance
30 with any appropriation provided for in any applicable budget bill or supplementary
31 appropriation bill. However, an appropriation proposed to be made to any unit in the
32 Department or proposed to be made for any designated transportation activity,
33 function, or undertaking that has been reduced by the General Assembly may not be
34 restored, for the same purpose as originally proposed, except in an emergency, by the
35 budget amendment procedure of § 7–209 of the State Finance and Procurement
36 Article, or otherwise if the General Assembly in striking or reducing the appropriation,
37 prohibited its restoration. However, except for emergency capital projects, if the
38 General Assembly explicitly reduces in the budget bill an appropriation proposed for a
39 major capital project as defined in § 2–103.1(a)(4) of this article, the appropriation may
40 not be restored for the same purpose as originally proposed by the budget amendment
41 procedure of § 7–209 of the State Finance and Procurement Article or otherwise unless

1 the General Assembly, in striking or reducing the appropriation, expressly authorized
2 its restoration.

3 **[(3) (i)]** During the period of fiscal years 1988 through 1992 as
4 included in the annual State Report on Transportation, the Department shall utilize
5 all of its share of the revenues attributable to the 5 cent increase of the motor fuel tax
6 under the provisions of Chapter 291 of the Acts of 1987 and credited to the
7 Transportation Trust Fund under § 2–1104 of the Tax – General Article and the
8 proceeds of any increased indebtedness based on that revenue and credited to the
9 Transportation Trust Fund to fund Department projects for the construction,
10 reconstruction, and rehabilitation of the State highway system.

11 **(ii)** During the period of fiscal year 1988 through fiscal year
12 1992 the total level of State funds appropriated to the State Highway Administration
13 for construction, reconstruction and rehabilitation of the State highway system,
14 including the revenues referred to in subparagraph (i) above, shall be at least 70
15 percent of the total appropriation of State funds in the consolidated transportation
16 capital program.

17 **(iii)** The Secretary of the Department shall submit, subject to §
18 2–1246 of the State Government Article, to the Legislative Policy Committee and the
19 Department of Legislative Services a report:

20 1. Prior to the beginning of each session through the
21 1991 session, detailing the intended use of the new revenues; and

22 2. Prior to the beginning of each session beginning with
23 the 1989 session and through the 1993 session, detailing the actual use of the new
24 revenues in the prior fiscal year.

25 **(4)** Of the new revenues derived under the provisions of Chapter 291
26 of the Acts of 1987 and credited to the Department, \$31,000,000 shall be transferred to
27 the Maryland Emergency Medical Service System Fund at such time as determined by
28 the Secretary of Budget and Management.]

29 **[(5) (3)]** For each fiscal year, the Department shall use the funds in
30 the Transportation Trust Fund for the purposes specified in subsection (c)(2)(ii) of this
31 section, which may include construction and maintenance of:

32 (i) Public bicycle areas as defined in § 21–101(o) of this article;

33 (ii) Bicycle ways as defined in § 21–101(d) of this article; and

34 (iii) Sidewalks as defined in § 21–101(w) of this article.

35 **[(6) (4)]** Each year, before the General Assembly considers the
36 proposed Maryland Transportation Plan and the Consolidated Transportation

1 Program, the Department shall report to the General Assembly, in accordance with §
2 2–1246 of the State Government Article, on:

3 (i) The expenditures made toward the attainment of the bicycle
4 and pedestrian transportation goals during the preceding fiscal year under Title 2,
5 Subtitle 6 of this article; and

6 (ii) The progress made toward attainment of the bicycle and
7 pedestrian transportation goals identified for the fiscal year under Title 2, Subtitle 6 of
8 this article.

9 (e) (1) Except as otherwise provided in this subsection, this section is
10 effective notwithstanding any other provision of law.

11 (2) Nothing in this section may adversely affect in any way the
12 security of any of the following bonds while they are outstanding and unpaid:

13 (i) State highway construction bonds, second issue;

14 (ii) State highway construction bonds, third issue;

15 (iii) County highway construction bonds; or

16 (iv) County highway construction bonds, second issue.

17 (3) It is the intent of the General Assembly that, as long as any of the
18 bonds listed in paragraph (2) of this subsection are outstanding and unpaid:

19 (i) The sinking fund requirements established for the payment
20 of the principal of and interest on those bonds shall remain unchanged, as if this
21 section had not been enacted; and

22 (ii) The taxes and revenues pledged to the payment of the
23 principal of and interest on those bonds as they become due and payable may not be
24 repealed, diminished, or applied to any other purpose until:

25 1. The bonds and the interest on them have become due
26 and fully paid; or

27 2. Adequate and complete provision for payment of the
28 principal and interest has been made.

29 (f) (1) **[No] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (6) OF**
30 **THIS SUBSECTION, NO** part of the Transportation Trust Fund may revert or be
31 credited to the general funds of this State **UNLESS APPROVED BY THE GENERAL**
32 **ASSEMBLY THROUGH LEGISLATION PASSED BY A THREE-FIFTHS MAJORITY**
33 **VOTE OF THE FULL STANDING COMMITTEE ASSIGNED THE LEGISLATION IN**

1 EACH OF THE TWO HOUSES OF THE GENERAL ASSEMBLY AND ENACTED INTO
2 LAW.

3 (2) [No] EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (6) OF
4 THIS SUBSECTION, NO part of the Transportation Trust Fund may revert or be
5 credited to a special fund of the State, unless [otherwise provided by law] APPROVED
6 BY THE GENERAL ASSEMBLY THROUGH LEGISLATION PASSED BY A
7 THREE-FIFTHS MAJORITY VOTE OF THE FULL STANDING COMMITTEE ASSIGNED
8 THE LEGISLATION IN EACH OF THE TWO HOUSES OF THE GENERAL ASSEMBLY
9 AND ENACTED INTO LAW. No part of the Transportation Trust Fund may revert or be
10 credited to a special fund of the State pursuant to the provisions of § 7-209(e)(2) of the
11 State Finance and Procurement Article, unless [the transfer is approved by the
12 Legislative Policy Committee. Failure of the Legislative Policy Committee to reject the
13 transfer within 15 days after presentation before the Legislative Policy Committee
14 shall be deemed to be approval] THE REQUIREMENTS OF THIS PARAGRAPH HAVE
15 BEEN SATISFIED.

16 [(2) Notwithstanding any other provision of law, for fiscal year 1984
17 only, \$29,000,000 of the funds in the Transportation Trust Fund which are not
18 required by law to be distributed to the counties or Baltimore City and which have not
19 been pledged or otherwise committed to the payment of or as security for the payment
20 of any bonds or debt issued or incurred pursuant to this article shall be transferred
21 and credited to the general funds of the State on or before June 30, 1984 and shall be
22 available for appropriation from the general funds in fiscal year 1984.]

23 (3) FUNDS IN THE TRANSPORTATION TRUST FUND MAY BE USED
24 FOR DEFENSE OR RELIEF PURPOSES ONLY IF:

25 (I) THE STATE IS INVADED BY LAND, SEA, OR AIR OR A
26 MAJOR CATASTROPHE OCCURS; AND

27 (II) THE GOVERNOR:

28 1. PROCLAIMS A STATE OF EMERGENCY; AND

29 2. DECLARES THAT THE USE OF THE FUNDS FOR
30 DEFENSE OR RELIEF PURPOSES IS NECESSARY FOR THE IMMEDIATE
31 PRESERVATION OF THE PUBLIC HEALTH OR SAFETY.

32 (4) BEFORE THE ENACTMENT OF LEGISLATION UNDER
33 PARAGRAPH (1) OR (2) OF THIS SUBSECTION OR ISSUANCE OF AN EMERGENCY
34 DECLARATION UNDER PARAGRAPH (3) OF THIS SUBSECTION TO TRANSFER OR
35 DIVERT FUNDS FROM THE TRANSPORTATION TRUST FUND TO THE GENERAL
36 FUND OR A SPECIAL FUND, THE TREASURER SHALL ADVISE THE GOVERNOR

1 AND GENERAL ASSEMBLY OF THE POTENTIAL IMPACT OF THE TRANSFER OR
2 DIVERSION ON THE CREDIT RATING OF BONDS OR OTHER DEBT INSTRUMENTS
3 ISSUED BY THE DEPARTMENT.

4 (5) (I) BEFORE THE ENACTMENT OF LEGISLATION UNDER
5 PARAGRAPH (1) OR (2) OF THIS SUBSECTION OR ISSUANCE OF AN EMERGENCY
6 DECLARATION UNDER PARAGRAPH (3) OF THIS SUBSECTION TO TRANSFER OR
7 DIVERT FUNDS FROM THE TRANSPORTATION TRUST FUND TO THE GENERAL
8 FUND OR A SPECIAL FUND, A DETERMINATION SHALL BE MADE OF THE
9 POTENTIAL IMPACT OF THE TRANSFER OR DIVERSION ON THE ADDITIONAL
10 BONDS TEST SET FORTH IN THE SECRETARY'S RESOLUTION AND THE CREDIT
11 RATING OF BONDS OR OTHER DEBT INSTRUMENTS ISSUED BY THE
12 DEPARTMENT.

13 (II) NO TRANSFER OR DIVERSION SHALL OCCUR IF IT IS
14 DETERMINED THAT THE TRANSFER OR DIVERSION WOULD CAUSE THE
15 DEPARTMENT TO FAIL THE ADDITIONAL BONDS TEST OR RESULT IN A
16 DOWNGRADE OF THE DEPARTMENT'S BONDS.

17 (6) THIS SUBSECTION DOES NOT APPLY TO A TRANSFER OR
18 DIVERSION OF FUNDS UNDER § 8-402.1 OR § 8-403 OF THIS ARTICLE OR §
19 2-1103(3) OF THE TAX - GENERAL ARTICLE.

20 3-217.

21 (a) Beginning July 1, 2012, ANY funds in the Transportation Trust Fund
22 [may not be] transferred or diverted from that Fund to the General Fund [unless
23 legislation is enacted prior to the transfer or diversion that provides for repayment of
24 the funds to the Transportation Trust Fund] OR A SPECIAL FUND SHALL BE REPAID
25 within 5 years after the transfer or diversion AS FOLLOWS:

26 (1) AT LEAST 10 PERCENT OF A TRANSFER OR DIVERSION IN A
27 FISCAL YEAR SHALL BE REPAID IN THE FIRST FISCAL YEAR AFTER THAT
28 TRANSFER OR DIVERSION;

29 (2) A CUMULATIVE TOTAL OF AT LEAST 30 PERCENT OF A
30 TRANSFER OR DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 2 FISCAL
31 YEARS AFTER THAT TRANSFER OR DIVERSION;

32 (3) A CUMULATIVE TOTAL OF AT LEAST 55 PERCENT OF A
33 TRANSFER OR DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 3 FISCAL
34 YEARS AFTER THAT TRANSFER OR DIVERSION;

1 **(4) A CUMULATIVE TOTAL OF AT LEAST 80 PERCENT OF A**
2 **TRANSFER OR DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 4 FISCAL**
3 **YEARS AFTER THE TRANSFER OR DIVERSION; AND**

4 **(5) A CUMULATIVE TOTAL OF 100 PERCENT OF A TRANSFER OR**
5 **DIVERSION IN A FISCAL YEAR SHALL BE REPAID WITHIN 5 FISCAL YEARS AFTER**
6 **THE TRANSFER OR DIVERSION.**

7 (b) This section does not apply to a transfer or diversion of funds under §
8 **8-402.1 OR § 8-403 of this article OR § 2-1103(3) OF THE TAX - GENERAL**
9 **ARTICLE.**

10 Subtitle 4. Highway User Revenues **AND LOCAL TRANSPORTATION**
11 **INFRASTRUCTURE AID.**

12 8-401.

13 (a) In this subtitle the following words have the meanings indicated.

14 (b) “County” does not include Baltimore City.

15 (c) “Debt service” means the amount annually needed to pay the maturing
16 principal of and interest on bonds, notes, and other evidences of obligation and to meet
17 sinking fund requirements for these purposes.

18 (c-1) “Eligible municipality” means a municipality authorized by law to
19 construct or maintain streets or roads.

20 (d) “Highway user revenues” means the funds credited to the Gasoline and
21 Motor Vehicle Revenue Account of the Transportation Trust Fund.

22 **(E) “LOCAL TRANSPORTATION INFRASTRUCTURE AID” MEANS THE**
23 **FUNDS CREDITED TO THE LOCAL TRANSPORTATION INFRASTRUCTURE AID**
24 **ACCOUNT OF THE TRANSPORTATION TRUST FUND.**

25 **[(e)] (F)** “Municipality” means any municipal corporation, special taxing
26 district, or other political subdivision of this State other than a county or Baltimore
27 City.

28 8-402.

29 (a) There is a Gasoline and Motor Vehicle Revenue Account in the
30 Transportation Trust Fund.

31 (b) All revenues collected from the following, after deductions provided by
32 law, shall be credited to the Gasoline and Motor Vehicle Revenue Account:

1 (1) [All of the] **EXCEPT FOR REVENUE ATTRIBUTABLE TO THE**
2 **SALES AND USE TAX EQUIVALENT RATE IMPOSED ON MOTOR FUEL UNDER §**
3 **9-306 OF THE TAX – GENERAL ARTICLE, THE** motor vehicle fuel tax;

4 (2) Except as otherwise provided by law, two-thirds of the vehicle
5 titling tax;

6 (3) Except for revenues collected under Parts III and IV of Title 13,
7 Subtitle 9 of this article, vehicle registration fees;

8 (4) The revenue disbursed to this Account under § 2-614 of the Tax –
9 General Article; and

10 (5) 80 percent of the funds distributed on short-term vehicle rentals
11 under § 2-1302.1 of the Tax – General Article to the Transportation Trust Fund from
12 the sales and use tax.

13 **8-402.1.**

14 (A) **THERE IS A LOCAL TRANSPORTATION INFRASTRUCTURE AID**
15 **ACCOUNT IN THE TRANSPORTATION TRUST FUND.**

16 (B) **THERE SHALL BE CREDITED TO THE LOCAL TRANSPORTATION**
17 **INFRASTRUCTURE AID ACCOUNT THE REVENUE ATTRIBUTABLE TO THE SALES**
18 **AND USE TAX EQUIVALENT RATE IMPOSED UNDER § 9-306 OF THE TAX –**
19 **GENERAL ARTICLE AND DISTRIBUTED TO THE LOCAL TRANSPORTATION**
20 **INFRASTRUCTURE AID ACCOUNT UNDER § 2-1103(3) OF THE TAX – GENERAL**
21 **ARTICLE.**

22 (C) **SUBJECT TO §§ 3-307 AND 3-308 OF THIS ARTICLE, IN EACH FISCAL**
23 **YEAR, LOCAL TRANSPORTATION INFRASTRUCTURE AID SHALL BE DISTRIBUTED**
24 **AS FOLLOWS:**

25 (1) **70% TO THE COUNTIES TO BE ALLOCATED AS PROVIDED IN §**
26 **8-404 OF THIS SUBTITLE;**

27 (2) **20% TO THE MUNICIPALITIES TO BE ALLOCATED AS**
28 **PROVIDED IN § 8-405 OF THIS SUBTITLE; AND**

29 (3) **10% TO BALTIMORE CITY.**

30 (D) **LOCAL TRANSPORTATION INFRASTRUCTURE AID SHALL BE**
31 **DISTRIBUTED:**

1 **(1) TO THE COUNTIES AND MUNICIPALITIES AT THE TIMES**
2 **SPECIFIED IN § 8-407 OF THIS SUBTITLE; AND**

3 **(2) TO BALTIMORE CITY IN MONTHLY INSTALLMENTS.**

4 **(E) LOCAL TRANSPORTATION INFRASTRUCTURE AID DISTRIBUTED TO**
5 **COUNTIES, MUNICIPALITIES, AND BALTIMORE CITY UNDER THIS SECTION MAY**
6 **BE USED AS PROVIDED IN §§ 8-408 AND 8-409 OF THIS SUBTITLE.**

7 **(F) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, ALL**
8 **PROVISIONS OF STATE LAW THAT APPLY TO HIGHWAY USER REVENUES ALSO**
9 **APPLY TO LOCAL TRANSPORTATION INFRASTRUCTURE AID.**

10 8-403.

11 (b) (1) [For fiscal year 2010:

12 (i) The amount distributed to Baltimore City under this
13 subtitle shall equal 8.6% of total highway user revenues;

14 (ii) The amount distributed to the counties under this subtitle
15 shall equal 1.5% of total highway user revenues; and

16 (iii) The amount distributed to the municipalities under this
17 subtitle shall equal 0.4% of total highway user revenues.

18 (2) For fiscal year 2011:

19 (i) The amount distributed to Baltimore City under this
20 subtitle shall equal 7.9% of total highway user revenues;

21 (ii) The amount distributed to the counties under this subtitle
22 shall equal 0.5% of total highway user revenues; and

23 (iii) The amount distributed to the municipalities under this
24 subtitle shall equal 0.1% of total highway user revenues.

25 (3) For fiscal year 2012:

26 (i) The amount distributed to Baltimore City under this
27 subtitle shall equal 7.5% of total highway user revenues;

28 (ii) The amount distributed to the counties under this subtitle
29 shall equal 0.8% of total highway user revenues; and

1 (iii) The amount distributed to the municipalities under this
2 subtitle shall equal 0.6% of total highway user revenues.

3 [(4)] (2) For fiscal year 2013:

4 (i) The amount distributed to Baltimore City under this
5 subtitle shall equal 8.1% of total highway user revenues;

6 (ii) The amount distributed to the counties under this subtitle
7 shall equal 1.5% of total highway user revenues; and

8 (iii) The amount distributed to the municipalities under this
9 subtitle shall equal 0.4% of total highway user revenues.

10 13-954.

11 (a) In this section, "motor vehicle" means a:

12 (1) Class A (passenger) vehicle;

13 (2) Class B (for hire) vehicle;

14 (3) Class C (funeral and ambulance) vehicle;

15 (4) Class D (motorcycle) vehicle;

16 (5) Class E (truck) vehicle;

17 (6) Class F (tractor) vehicle;

18 (7) Class H (school) vehicle;

19 (8) Class J (vanpool) vehicle;

20 (9) Class M (multipurpose) vehicle;

21 (10) Class P (passenger bus) vehicle;

22 (11) Class Q (limousine) vehicle;

23 (12) Class R (low speed) vehicle; or

24 (13) Vehicle within any other class designated by the Administrator.

25 (b) (1) In addition to the registration fee otherwise required by this title,
26 the owner of any motor vehicle registered under this title shall pay a surcharge of
27 ~~[\$13.50]~~ **\$15.50** per year for each motor vehicle registered.

1 (2) \$2.50 of the surcharge collected under paragraph (1) of this
2 subsection shall be paid into the Maryland Trauma Physician Services Fund
3 established under § 19–130 of the Health – General Article.

4 SECTION 2. AND BE IT FURTHER ENACTED, That:

5 (a) The Governor, in consultation with the President of the Senate of
6 Maryland and Speaker of the House of Delegates, shall appoint a workgroup to study
7 and make recommendations on the advisability of creating regional transit financing
8 authorities for the purpose of raising additional funds to support major transit
9 projects.

10 (b) On or before December 15, 2012, the workgroup shall report its findings
11 and recommendations to the Governor and, in accordance with § 2–1246 of the State
12 Government Article, the General Assembly.

13 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 June 1, 2012.